

EXHIBIT 1



CALIFORNIA STRATEGIES, LLC

CALIFORNIA STRATEGIES AGREEMENT

July 8, 2019

This Agreement ("Consulting Services Agreement," or "Agreement") is hereby entered into and will serve to confirm the engagement of California Strategies, LLC ("Consultant") as a consultant to Applied Underwriters, Inc. ("Client") to provide general and strategic consulting services to the Client, and other such matters as the Client may refer to the Consultant from time to time.¹

Scope of Work:

The following activities will be carried out for the Client:

1. Conduct strategy sessions with Client and project team.
2. Review background materials in detail.
3. Develop comprehensive strategy to accelerate California Department of Insurance approval of the sale or redomestication of California Insurance Company.
4. Participate in regular coordination calls and meetings.

Compensation:

The Client agrees to provide to the Consultant a success fee of \$1,000,000 for assisting with obtaining approval of California Insurance Company's ("CIC") Form A application with the California Department of Insurance at IDB # 19-798; APP-2019-00689 or approval of CIC's redomestication from California to the State of Illinois, either of which must occur on or before September 30, 2019 unless Client and Consultant mutually agree in writing to a later date or to redomestication to a state other than Illinois.

Payment in full is due no later than five days after the approval is secured. The Consultant will submit an invoice to the Client. The invoice should be addressed to:

Jeffrey A. Silver
10805 Old Mill Road
Omaha, Nebraska 68154
Email: jeffreysilver@silver-law.net

Other Expenses:

The Consultant shall be reimbursed by the Client for reasonable expenses incurred in the normal course of business in support of Consultant's efforts on behalf of Client. "Expenses" may also include costs incurred to retain subcontracted consulting or professional services, should such retention be necessary. Prior approval from Client

¹ The scope of consulting services contemplated under this agreement does not include "lobbying" as that term is defined under the Political Reform Act (Gov. Code §§ 81000, et. seq.) or local law.

shall be obtained for items costing more than \$500. Any expenses incurred on behalf of Client shall be documented and billed as they occur.

Duration:

The services to be rendered by the Consultant under this Agreement, for which a fee shall be paid, will commence July 1, 2019 and conclude September 30, 2019, with the opportunity to continue the relationship if mutually agreeable.

Mutual Indemnification:

Notwithstanding any provision of this Agreement to the contrary, neither party shall be liable to the other for indirect, incidental or consequential damages. In the event any damage, liability, loss, expense or cost, including attorneys' fees, is the result of a gross negligent act, error, or omission of a party to this Agreement or any person employed by it, and arises out of the performance of this Agreement, the negligent party shall indemnify, defend and hold the other party harmless.

Confidentiality:

The Consultant agrees to protect confidential information against unauthorized disclosure. The Consultant will protect such information using a reasonable degree of care as is used to protect its own confidential information of a like nature. The Consultant agrees to protect confidential information disclosed under this Agreement in both a) a tangible form, clearly labeled confidential at time of disclosure, and b) in non-tangible form, pertaining to matters disclosed in writing or orally which protect or enhance the competitive position of the Client. This Agreement covers confidential information the Consultant has obtained to date and will obtain in the future. The Consultant's obligations regarding confidential information received under this Agreement shall survive for two years following any termination hereof.

Code of Ethics:

In respect to the performance of its Scope of Services, the Consultant specifically represents, warrants and agrees that, in respect of its involvement in the Client, no payment or offer of payment has been made or shall be approved or made by the Consultant with the intention or understanding that any part of such payment is to be used to influence or attempt to influence, corruptly or unlawfully, any decision or judgment of any official of any government or of any subdivision, agency, or instrument thereof or any political party in connection with the Client. The obligations in this paragraph shall survive the termination of this Agreement.

Potential Conflicts of Interest:

Consultant has used its best effort to evaluate potential conflicts related to this Agreement and its existing client base. While Consultant has determined that no conflicts currently exist, it should be noted that because of changing business objectives future conflicts could occur. Therefore, it is Consultants policy to fully disclose any potential conflicts to all parties as soon as they are known and to resolve them by giving preference to the Client with seniority.

Independent Contractor Status:

By execution of this agreement, the Consultant acknowledges that it is an independent contractor and neither it nor its employees are employees of the Client for any purpose whatsoever. The Consultant has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of the Client, except as expressly authorized in writing by the Client.

Preclusion of "Lobbying" Services:

No part of this Agreement, the services contemplated herein, or the execution of said services shall include "lobbying" as that term is defined under the Political Reform Act (Gov. Code §§ 81000 et. seq.) or local law. Consequently, the Client hereby agrees that no payments to Consultant will be classified as payments made to lobbyists or lobbying firms on any lobby disclosure reports filed by the Client, if any. Should at any time questions arise regarding lobbying activities, the Client and Consultant agree to discuss immediately and take the appropriate action. If the scope of required services changes in the future to include lobbying activities, the Consultant shall assist the Client in identifying and retaining a lobbyist and/or lobbying firm. In no event shall Consultant be responsible for or undertake the filing of any campaign contribution disclosure reports on Client's behalf.

Governing Law:

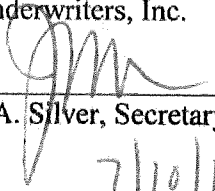
This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of California.

Amendment:

This Agreement may be amended only by a written and signed agreement of both the Consultant and the Client.

ACCEPTED & AGREED:

Applied Underwriters, Inc.

By: 
Jeffrey A. Silver, Secretary

Date: 7/10/19

California Strategies, LLC

By: 
James E. Burton, Managing Partner

Date: 7.9.2019